



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 23, 2008

**TO:** Mayor and Councilmembers

**FROM:** Housing and Redevelopment Division, Community Development Department

**SUBJECT:** Additional Grant For Rehabilitation Of The Housing Authority's SHIFCO Project At 418 Santa Fe Place

### RECOMMENDATION:

That Council approve a grant of \$200,000 in Federal Home Investment Partnerships Program (HOME) funds for additional rehabilitation of the Housing Authority of Santa Barbara's affordable housing project located at 418 Santa Fe Place, and authorize the Community Development Director to execute a grant agreement in a form approved by the City Attorney.

### DISCUSSION:

The Housing Authority of the City of Santa Barbara (HACSB) has requested an additional grant of \$200,000 in HOME funds to complete the repairs and site improvements that are needed for a project, commonly known as "SHIFCO," that provides affordable rental housing to low-income senior citizens.

#### Background

HACSB acquired SHIFCO in 1987, having managed the project since its inception in 1976. The project consists of 27 one-story, four-plex residential structures totaling 107 one-bedroom units (plus one manager's unit) on an 8+ acre site. The project was originally developed by the Senior Housing Interfaith Council, whose acronym gives the project its name.

#### Work Already Completed

The Council approved a \$400,000 HOME grant in 2006 to repair broken domestic water lines, retaining walls, and sidewalks. Of those funds, \$161,835 was needed to correct the lines in 15 of the buildings, and \$238,165 was used to replace retaining walls, guardrails, and sidewalks after shifting soils at the site caused damage to the buildings. The HACSB contributed \$80,000 to the plumbing lines replacement cost, which resulted in a total budget of \$480,000.

#### Work Needing Additional Funding

Due to unavoidable cost overruns, there was work included in the permitted plans that could not be funded by the \$400,000 grant. This work included replacement of a large

cracked concrete patio and decrepit trellis at the clubhouse, and a large asphalt pathway. Also, during the rehabilitation, additional rehabilitation needs were discovered, including four parking lots that require re-surfacing before they are lost and timbered retaining curbs that must be replaced with rebarred concrete. The budget for the funds requested is itemized below:

Asphalt pathway improvements:	14,000
Sidewalk curb replacements:	22,000
Concrete patio/trellis replacement:	93,000
Parking lot re-surfacing:	25,000
Contingency:	<u>46,000</u>
TOTAL	\$200,000

#### Proposed Grant and Affordability Covenant

An affordability covenant was executed and recorded against the property in May 2006 in conjunction with the \$400,000 grant, to ensure that the project continued to be affordable to low- and very-low-income persons. The covenant remains in place and effective.

Additionally, given the stated mission of the Housing Authority, staff is confident that the project will provide long-term affordable housing for low-income persons.

#### Conclusion

Staff supports the Housing Authority's request and recommends approval of the additional grant of HOME funds in order to continue providing safe and affordable housing for low-income seniors.

#### **BUDGET/FINANCIAL INFORMATION:**

Federal HOME funds are sometimes difficult to use effectively for housing subsidies because of stringent regulations such as very low rent limits and the requirements to pay prevailing wages. The SHIFCO is already subject to these regulations, so this project is an ideal recipient of HOME funds. The City has sufficient HOME funds to pay for this rehabilitation grant.

#### **SUSTAINABILITY IMPACT:**

To the greatest extent feasible, the contractor shall recycle all materials to an appropriate and approved recycling location for their reuse or recycle.

**PREPARED BY:** David K. Gustafson, Assistant Community Development  
Director/Housing and RDA Manager/SF/CC

**SUBMITTED BY:** Paul Casey, Community Development Director

**APPROVED BY:** City Administrator's Office